

THE ECONOMIC IMPACT OF ALLERGAN'S OPERATIONS IN FRANCE

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ASTERÉS
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PREAMBLE

The pharmaceutical industry is one of the French economy's flagships. With more than 3,000 businesses, 153,000 salaried jobs and an added value of €19 billion,¹ its activity has major ripple effects for the national economy. Chemical industries, research and development activities, as well as legal and accounting activities are the main beneficiaries. By extension, through the wages paid and the induced household consumption, it is the entire French economy that benefits from it.

Established in France in 1978, Allergan epitomizes the French biopharmaceutical industry's success. This Irish pharmaceutical company is present in 100 countries and has more than 18,000 employees worldwide. It operates in France through two subsidiaries:

- The first, Allergan Industrie, is an industrial unit located in Pringy, Haute-Savoie. It is engaged in the development and manufacture of hyaluronic acid based gel.
- The second, Allergan France, is a commercial unit located in Courbevoie, Hauts-de-Seine. Its employees market Allergan products, manufactured in France and abroad.

These two entities achieved a turnover of €501 million in 2016. In June 2017, they employed 511 people. Through their purchases, investments and wages paid, they generate a ripple effect on the rest of the French economy. The impact is especially significant in the Haute-Savoie department.

To mark its upcoming 40th anniversary in France, Allergan wanted to assess its direct, indirect and induced impact on the French economy. It commissioned Asterès to undertake the independent assessment. This report presents the results of that assessment.

¹ Sectors of "Manufacture of pharmaceutical preparations" (Naf 21.20Z) and "Wholesale of pharmaceutical products" (Naf 46.46Z). Insee-Esane database, 2014.

EXECUTIVE SUMMARY

Allergan's French operations rely on two subsidiaries.

- The first, Allergan Industrie, is located in Pringy, Haute-Savoie. It is engaged in the development and manufacture of dermal fillers used in medical aesthetics. With 322 employees and a cumulative investment of €100 million over the last ten years, the plant achieved a turnover of €291 million in 2016. It is a highly competitive and profitable unit, even by the standards of its economic sector. This advantage comes from its research and development and manufacturing activities and from the fact that it owns the intellectual property rights relating to its production. Its tax contribution is high: tax on profits accounts for almost 20% of turnover.
- The second subsidiary, Allergan France, is commercial. Although it is based in Courbevoie, Hauts-de-Seine, this unit markets Allergan's products throughout all of France. Its activity relies on 189 highly skilled employees. In 2016, Allergan France achieved a turnover of €209 million.

These two French subsidiaries are expanding rapidly.

- Their consolidated turnover has multiplied by 4.7 in ten years, reaching €501 million in 2016. That is significantly better than the benchmark markets' growth.
- Along with the increase in its activities, Allergan's French employment surged by 50% between 2008 and June 2017. One hundred and seventy jobs were created. The group now has 511 employees in France. In comparison, national employment, all sectors combined, has progressed slowly over the last ten years. France's industrial employment is slowly declining.

The French direct tax contribution by Allergan is significant.

- By combining operating and profit taxes, Allergan's two subsidiaries paid a consolidated tax of €293 million over the period 2012–2016.
- Allergan Industrie's total profit tax represented 21% of its turnover over that period. This is a particularly high proportion compared to its benchmark sector.

² We measured the impact of purchases and wages for the year 2016. Since investments are a highly variable from year to year, we measured their cumulative impact over the period 2007-2016. We applied to the year 2016 their annual average impact over the period 2007-2016.





Allergan Industrie is an important support for the Haute-Savoie economy.

- According to our estimates, the Pringy plant accounts for 5.5% of the Haute-Savoie department's industrial added value, and 1% of added value for all sectors of activity combined. As it is a highly mechanized production unit, the plant represents 0.7% of salaried industrial employment in Haute-Savoie.

Beyond its own production, Allergan supports the national economy through its purchases, investments and wage payments.

- Considering the indirect and induced demand supported by its purchases, investments and wage payments, we estimate that Allergan contributed €326 million to French GDP in 2016. As added value produced directly by Allergan was €261 million in 2016, the multiplier is 1.25.
- Current purchases by Allergan Industrie and Allergan France, excluding imports, reached €41 million in 2016. With the indirect and induced effects, the turnover generated in the French economy amounted to €99 million. By adding the impact of its investments and of wages paid, Allergan generates, in a direct, indirect and induced manner, an annual turnover of approximately €160 million for French businesses. The purchases by its two subsidiaries support 62% of this amount, salaries paid 26% and investments 12%.²
- Allergan has 511 employees in France. By adding indirect and induced jobs among suppliers, service providers and the rest of the economy, we estimate that the total employment supported is approximately 1,200 people.

The economic impacts of Allergan Industrie are primarily local.

- 80% of added value induced by Allergan Industrie in the rest of the French economy (excluding its own added value) is realized locally.
- By accumulating the effect of purchases, investments and employees' consumption, added value locally reached €243 million. This is equivalent to 0.11% of regional GDP.
- Allergan had 292 employees in Pringy in 2016. We estimate the jobs induced in local French businesses at 186. Thus, the Pringy facility supported around 480 local jobs.

1.0 ALLERGAN'S FRENCH OPERATIONS ARE GROWING STEADILY

As Allergan continues to invest in France, its operations in the country grow continuously. Its French sales were multiplied by 4.7 in ten years and its workforce expanded by 50%. Consequently, its impact on the national economy has dramatically increased.

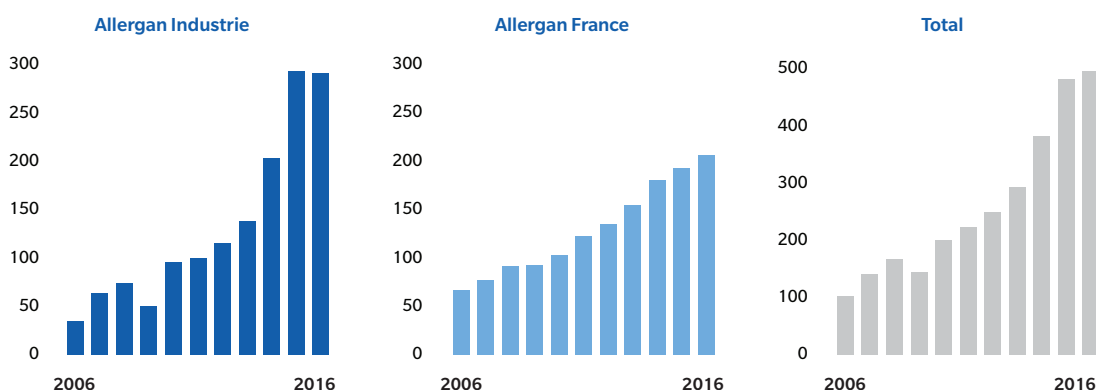
1.1 SALES HAVE MULTIPLIED BY 4.7 IN THE LAST TEN YEARS

Allergan has experienced rapid and sustained growth in France over the past decade. The consolidated turnover of its two subsidiaries rose from €107 million in 2006 to €501 million in 2016. That represents an average increase of 16.7% per year. **Over a decade, sales multiplied by 4.7.**

The industrial unit has played a major role in this development. Allergan Industrie's sales have increased 7.9 times over the past ten years, reaching €291 million in 2016. The commercial unit, Allergan France, has seen its sales triple over the same period. Last year they amounted to €210 million.

ALLERGAN'S FRENCH TURNOVER

Millions of euros, excl. tax



Sources: Allergan; Commercial court registry.

These results are significantly higher than those of the reference markets.

The French pharmaceutical industry experienced sustained growth. Its aggregate turnover increased by 23% between 2006 and 2016,³ compared to only +8.9% for manufacturing industries.⁴ Although significant, this national performance is lower than that of Allergan Industrie (+687% between 2006 and 2016).

Allergan France enjoyed a stronger growth than the national inter-company trade of pharmaceutical goods.

To reduce deficit spending for France's compulsory health insurance, Social Security moderates the regulated prices of health goods eligible for reimbursement. Consequently, the national pharmaceutical market grew by only 11% between 2006 and 2016,⁵ less than wholesale trade of all types of products combined (+14%).⁶ Allergan France distinguished itself by its remarkable increase in sales: +201% over the last ten years.

Most of that growth has been driven by innovative products, and mainly by products not reimbursed by Social Security.

³ Turnover index - Internal market and export - Pharmaceutical industry (NAF Rev.2, level A88, item 21) - Annual average. 001771932.

⁴ Turnover index - Internal market and export - Manufacturing (NAF rev 2, level A10, item CZ) - Annual average. 001771852.

COMPARATIVE CHANGE OF ALLERGAN'S SALES AND BENCHMARK MARKETS

Millions of euros, excl. tax

		Year 2016 (M€)	Change	2006–2016 AAGR	Multiplier
Allergan	Allergan Industrie	291.1	+ 687%	+22.9%	x 7.9
	Allergan France	209.6	+ 201%	+ 11.7%	x 3.0
	Total	500.7	+ 370%	+ 16.7%	x 4.7
French economy	Pharmaceutical Industries	39.5 BN *	+ 22%	+ 2.1%	x1.2
	Inter-company trade of pharmaceutical products	60.9 BN*	+ 11%	+1.1%	x 1.1

*Estimate based on Insee-Esane database.

Sources: Allergan; Commercial court registry; Insee.

1.2 ALLERGAN'S DIRECT CONTRIBUTION TO FRENCH GDP FOLLOWS THE TREND IN SALES

Added value generated by Allergan Industrie and Allergan France multiplied by 8.9 between 2006 and 2016. This added value growth is more pronounced than that of turnover, and indicates significant productivity gains. As 2015 was exceptional, an expected adjustment was observed in 2016. However, value added impact remains high and continues its long-term growth.

Consolidated added value of the two subsidiaries reached € 261 million in 2016, which represents 52% of the turnover. Allergan Industrie has research, development and manufacturing activities. So, it generates a high added value, corresponding to 74% of its turnover.⁷ That performance is remarkable, even compared to pharmaceutical industry standards. As Allergan France is a commercial unit, it has a more moderate added value (21% of its turnover).



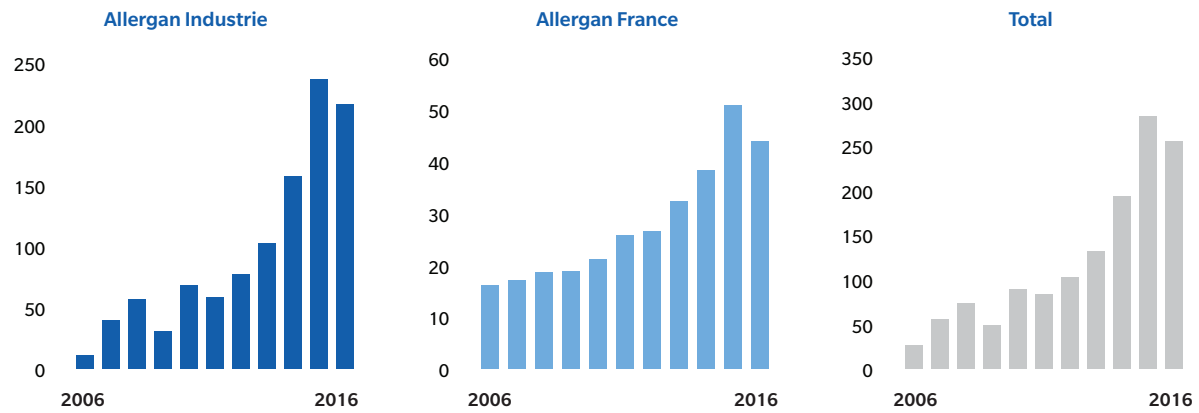
⁵ Turnover index - Wholesale trade of pharmaceutical products (NAF Rev.2, level class item 46.46). 001777029.

⁶ Turnover index - Wholesale trade with the exception of motor vehicles and motorcycles (NAF rev.2, division level item 46). 001776116.

⁷ According to Insee-Esane, added value of the "Manufacture of pharmaceutical preparations" sector (Naf 21.20Z) was 28% of the turnover in 2014.

ALLERGAN'S FRENCH ADDED VALUE

Millions of euros



Sources: Allergan; Commercial court registry.

Consolidated added value of the two subsidiaries represents Allergan's direct contribution to French GDP. This contribution has a favorable trend line. Allergan's added value benefits the national economy which has suffered from sluggish growth since the 2008 crisis. From 2006 to 2016, GDP grew by only 0.7% per year, on average. By comparison, the annual average growth was 1.9% between 2000 and 2007.⁸

COMPARATIVE CHANGE OF ALLERGAN'S ADDED VALUE AND FRENCH GDP

		2016		2006–2016		
		€, M	% turnover	Change	AAGR	Multiplier
Allergan	Allergan Industrie	216.5	74%	+ 1,608%	+32.8%	x 17.1
	Allergan France	44.8	21%	+ 170%	+ 10.4%	x 2.7
	Total	261.3	52%	+ 793%	+ 24.5%	x 8.9
French economy	GDP	2,229 BN*	-	+ 7.0% **	+0.7% **	x 1.1 **

*GDP in value. **Evolution of GDP in volume.
Sources: Allergan; Commercial court registry; Insee.

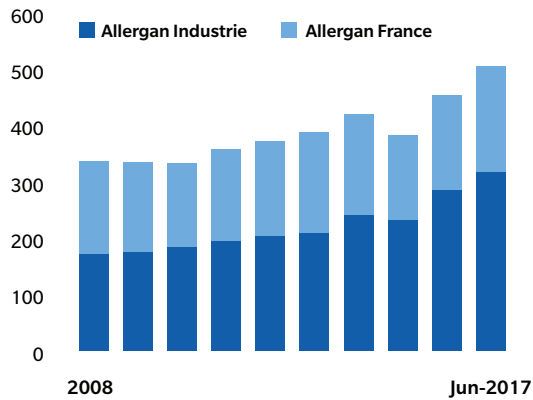
1.3 ALLERGAN EMPLOYS 511 PEOPLE IN FRANCE; AN INCREASE OF 50% VERSUS 2008

The industrial unit has 322 employees. The commercial unit has 189 employees. In line with the sustained growth of its activities, **Allergan directly created 170 salaried jobs between 2008 and June 2017.**

Job creation has been particularly dynamic in Pringy. The French industrial workforce of Allergan increased by 82% since 2008. Job creation has been also positive at Allergan France, with a 15% increase over the same period.

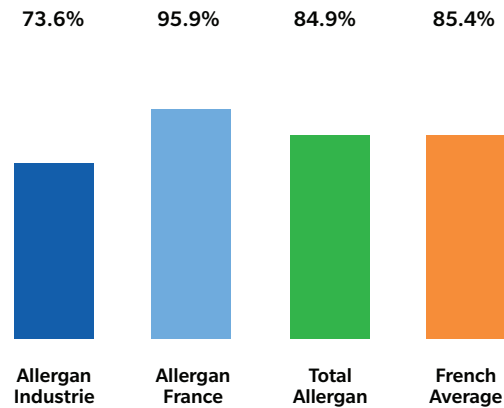
The vast majority of Allergan's jobs are permanent. 85% of employees enjoy a permanent contract (CDI). That is the same proportion as the national average. Allergan France has a particularly high share of permanent jobs, with 96% having permanent contracts.

ALLERGAN'S EMPLOYMENT IN FRANCE



Sources: Allergan; Insee.

SHARE OF PERMANENT JOBS %CDI



Allergan's favorable employment performance has taken place in an adverse national context.

Paid employment in the industrial, construction and merchant services sectors has progressed slowly between 2008 and 2017.⁹ French industrial employment is slowly declining. Over the last ten years, from 2006 to 2015, industrial employment fell by 14%. In the region of Allergan Industrie, Auvergne-Rhône-Alpes, the decrease was 13%. In its department, Haute-Savoie, it was 15%.¹⁰ Haute-Savoie's industries lost 8,500 salaried jobs between 2006 and 2010. Since then, the department's industrial employment has been stable, with 46,100 employees in 2015.

After cutting its workforce for several years, since 2014 the French pharmaceutical industry has been creating new jobs.¹¹ However, to date, national employment in this sector is 6% below its 2008 peak, representing a loss of 5,300 jobs.

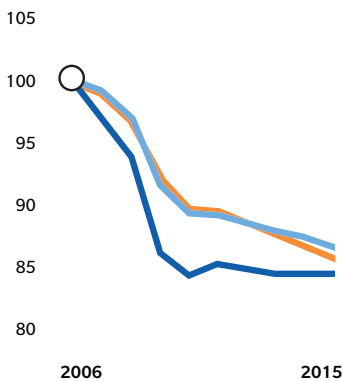
Given the lack of economic growth over the past decade, France has not created enough jobs to offset the rise in the working-age population and the productivity gains. Consequently, unemployment among the active population has risen from 6.8% in 2008 to 9.3% in 2017. Unemployment is less prevalent in Auvergne-Rhône-Alpes (8.6%) and Haute-Savoie (7.2%). Nevertheless, in keeping with the national trends, it has increased significantly in these localities. Jobs in Pringy have been relatively spared. Although unemployment increased in Pringy, the unemployment rate was only 6% in 2013,¹² a level close to full employment.

EMPLOYMENT DATA FOR THE FRENCH ECONOMY

France métropolitaine Auvergne-Rhône-Alpes Haute-Savoie

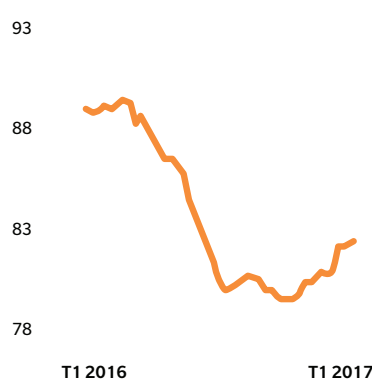
Industrial paid employment

Base 100 = 2006



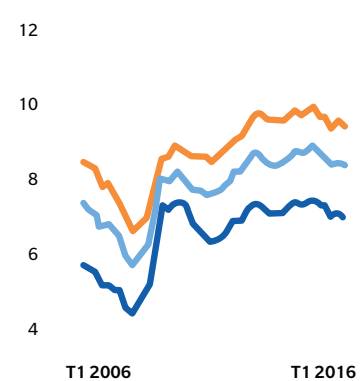
Pharmaceutical industry paid employment

Thousands of employees



Unemployment Rate

% of active population



Sources: Insee; Dares; Across-Urssaf.

⁹ According to Across-Urssaf data, reported by Dares, total paid employment in these three major sectors grew only by 0.4% between the fourth quarter of 2008 and the first quarter of 2017.

¹⁰ Across-Urssaf; Dares.

¹¹ Between the fourth quarter of 2014 and the first quarter of 2017, paid employment in the French pharmaceutical industries increased by 3%.

¹² Last year available.

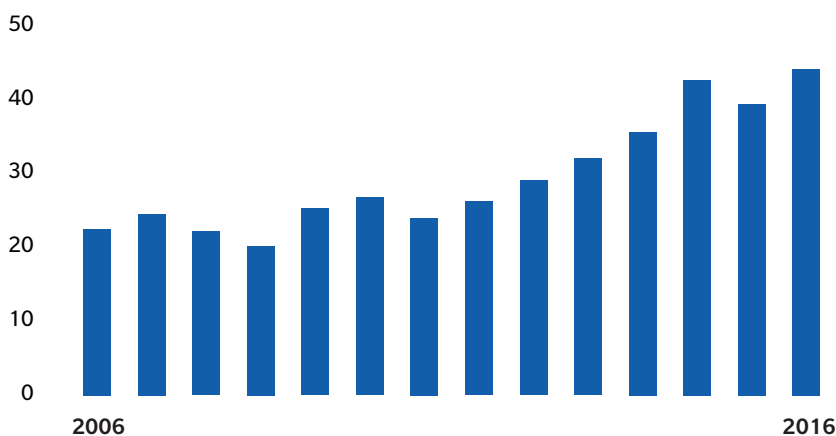
1.4 ALLERGAN PAYS MORE THAN 40 MILLION EUROS IN WAGES AND SOCIAL CONTRIBUTIONS IN FRANCE

Allergan's French payroll has doubled over the last ten years. **This growth comes from both a workforce increase and individual salary increases.** In 2007, Allergan's acquisition of the Pringy plant began an acceleration of wage payments. Previously, the payroll of the plant was stagnant.

In 2016, the group's total payroll amounted to €43.6 million. This amount breaks down into €30.5 million in wages and salaries and €13.2 million in social contributions.

After payment of their own social contributions,¹³ employees received a total net income of €23.5 million. Taking into account Allergan employees' savings,¹⁴ income tax¹⁵ and spending abroad,¹⁶ **we estimate employees' domestic consumption at €16.5 million.** This expenditure, captured by French businesses, supports national employment and investment.

WAGES, SALARIES AND SOCIAL COSTS PAID BY ALLERGAN IN FRANCE
Millions of euros



Sources: Allergan; Commercial court registry.

¹³ Employees' social contributions represent 23% of their gross earnings.

¹⁴ The savings of French households were 19% in 2016. Source: Insee.

¹⁵ We have had access to the detailed wages paid by Allergan in France. Based on assumptions on the income of spouses and considering the standard family structure of French households, we estimated the average income tax paid by employees in proportion of their revenue.

¹⁶ This estimate has been obtained by crossing two information: the weight of holidays in the household budget and the share of French's tourist nights abroad.

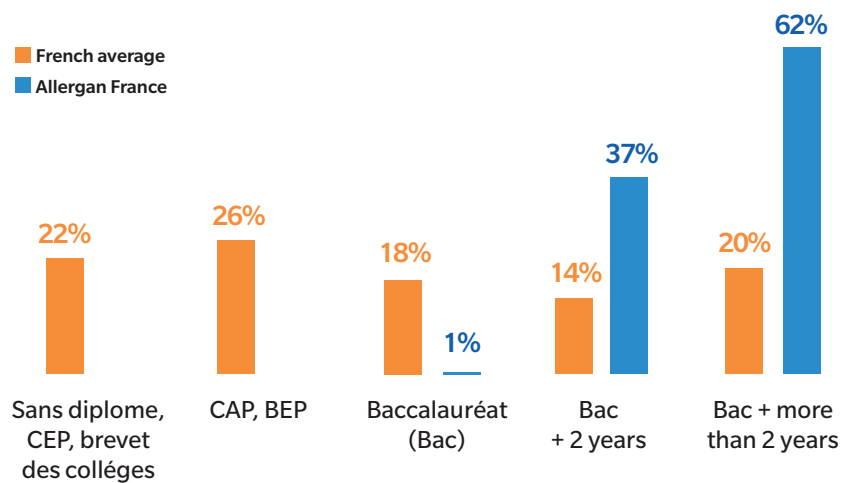




In line with the company's **attractive wages**, we estimate that in 2016, Allergan employees paid income tax of 14.5% of their taxable income. That represents an aggregate amount of €3 million. In comparison, the national average is 6.9% of taxable income.¹⁷

Allergan salaries are relatively high due to high levels of employee qualification. Six employees in ten (62%) exceed Bac+2 (ie, more than two years of university study after passing the baccalaureate level of education). The national average is 20%. The other employees have, with few exceptions, a Bac + 2 diploma (37%).

EMPLOYEE QUALIFICATION LEVELS AT ALLERGAN FRANCE AND IN FRANCE % of total employment



Source: Allergan; Insee.

¹⁷ The national average is given by the Public Finance Directorate General (DGFiP). The national average is relatively low because half of French households are not taxable.

1.5 OVER TEN YEARS, ALLERGAN INVESTED €100 MILLION IN FRANCE

Allergan invested €100 million in Pringy between 2007 and 2016. Thus, the average annual investment is €10 million.

Half of that amount benefited local building companies (€49 million).¹⁸ Other investments were mainly purchases of technical facilities and industrial equipment (€45 million).

By deducting imported equipment, **Allergan's investments led to an additional demand for French businesses of €78 million.**

ALLERGAN INDUSTRIE'S INVESTMENTS

Millions of euros

	2007–2016	Annual Average	Breakdown
Land	2.7	0.27	2.7%
Construction	48.5	4.85	48.5%
Technical installations, industrial tooling	44.8	4.48	44.8%
— Excluding imports	38.1	3.81	38.1%
Office equipment, computing, furniture	4.00	4.00	4.0%
Investment total	100	100	100%
Investment total, excl. imports	77.6	7.76	77.6%

Source: Allergan.

Allergan's site in Pringy has two facilities: Pringy I and Pringy II. The evolution of the second facility illustrates the importance of Allergan's investments since the 2007 purchase of the Pringy operation.



1.6 ALLERGAN'S TAX CONTRIBUTION AMOUNTED TO €293 MILLION OVER THE PERIOD 2012–2016

By combining operating and profit taxes, the two subsidiaries paid a consolidated tax of €293 million over the period 2012–2016, including €69 million in 2016.

Allergan Industrie's total profit tax was €218 million over that period (including €50 million in 2016). That represents 21% of its turnover, **a particularly high proportion**. For a comparable sample of French pharmaceutical industry participants, we have measured an average profit tax equivalent to 3% of turnover.¹⁹ The amount of taxes paid by Allergan is attributable to the remarkable profitability of its industrial unit. This strong profitability is explained by the fact that **Allergan Industrie owns the intellectual property rights relating to its production.**

Over the same period, Allergan France paid a profit tax of €21 million (including €4.6 million in 2016). That represents 2.4% of its turnover. For comparison, its benchmark sector pays a tax on profits equivalent to 1.2% of turnover.

¹⁸ Allergan Industrie's financial statements 2007 and 2016.

¹⁹ The sample is composed of companies belonging to the sector Naf 21.20Z, "Manufacture of pharmaceutical preparations", and which deposited their financial accounts at the commercial courts between 2012 and 2015. Only companies with a turnover less than €800 million, and more than €30 million have been selected.

1.7 ALLERGAN INDUSTRIE REPRESENTS 5.5% OF HAUTE-SAVOIE'S INDUSTRIAL ADDED VALUE

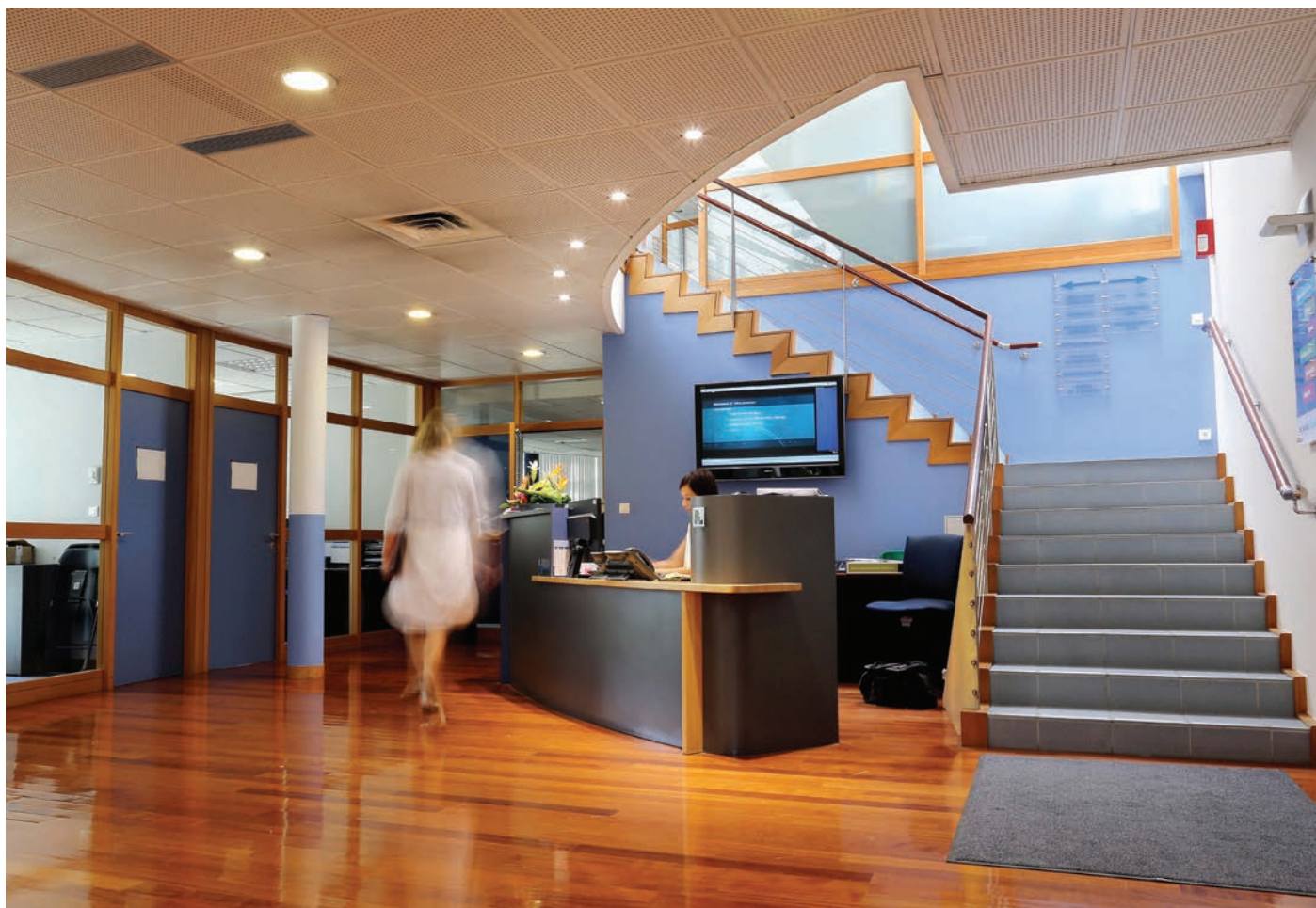
Allergan Industrie's direct influence on the overall French economy is relatively small. **However, the Pringy plant has a significant local impact.**

The commune of Pringy had 676 active businesses in 2014, of which 42 were industrial. Among these, only four had more than 50 employees. All sectors combined, Pringy had 3,172 employees, including 996 in its industries. Therefore, **with its 322 employees, the Pringy plant represents approximately 10% of Pringy's total paid employment and 30% of its industrial salaried employment.**

For the Haute-Savoie department, Allergan Industrie accounts for 0.1% of salaried employment and 0.7% of industrial salaried employment.

Allergan Industrie represents 0.5% of the Auvergne-Rhône-Alpes industrial added value (0.1% all sectors combined).

INSEE does not publish added value figures at the departmental level. We approximate the industrial added value in Haute-Savoie based on the weight of this department in the industrial employment of its region (9.6%). By doing so, **we estimate the departmental industrial production at €3.8 billion. Thus, Allergan Industrie's contribution is 5.5%.** Using the same estimation method, for all sectors combined, the company represents 1% of the departmental added value.



²⁰ The sample is composed of companies belonging to the Naf 46.46Z, Wholesale (business to business) trade in pharmaceuticals, and which deposited their financial accounts at the commercial courts between 2012 and 2015. Only companies with a turnover less than €900 million, and more than €60 million have been selected.

²¹ On 1 January 2017, Pringy and four other municipalities merged with the city of Annecy. This group of cities counted 16,196 active businesses in 2014, of which 621 were industrial. All sectors combined, the group had 59,774 employees.

²² Last data available. Source: INSEE.

²³ According to regional accounts published by Insee, added value of the Auvergne-Rhône-Alpes amounted to €218.5 billion in 2014, of which €40.2 billion came from the industrial sector.

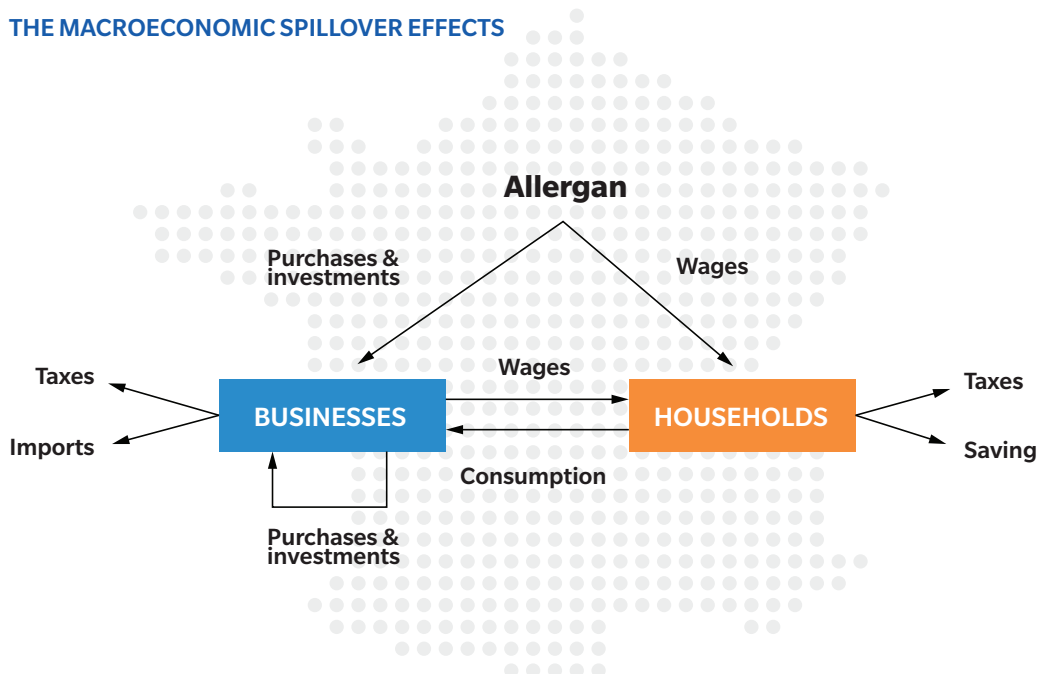
2.0 ALLERGAN'S OPERATIONS SUPPORT THE LOCAL AND NATIONAL ECONOMY

Beyond its own production, Allergan supports local and national economic activity through its purchases, investments and wages paid. Thus, the company directly employs 511 people in France but supports directly and indirectly approximately 1,200 employees.

2.1 EVALUATING THE ECONOMIC IMPACT OF A BUSINESS INVOLVES CONSIDERING THE DIRECT, INDIRECT AND INDUCED EFFECTS

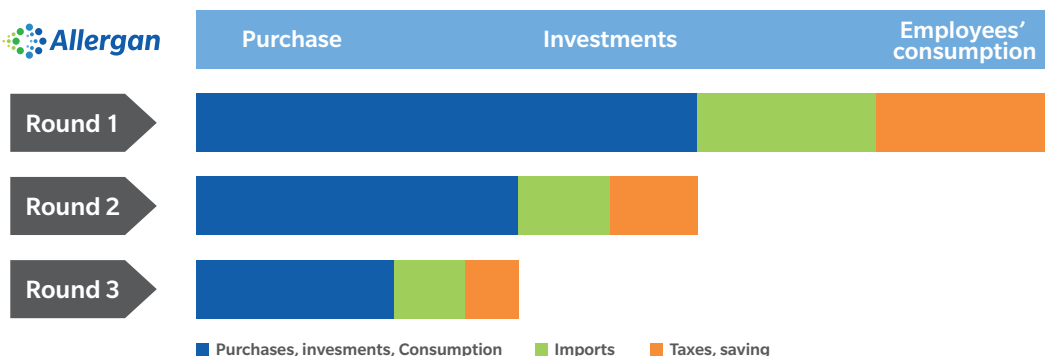
To carry out its operations in France, **Allergan buys large amounts of intermediate goods and services**, such as chemical products as well as invests in logistical, accounting and financial services. Thus, **the company generates a first wave of economic activity among its suppliers and its service providers**. Among these two groups, their turnover stimulates orders, investments, and employment and wage payments. The increase in wages supports sustains the national consumption. **This wave of orders, investments and consumption triggers a new wave of economic activity**. Thus, a virtuous circle is established.

THE MACROECONOMIC SPILLOVER EFFECTS



This spillover effect is limited by imports, household savings and taxes. So, the effect gradually loses steam.

THE EFFECT GRADUALLY LOSES STEAM



2.2 ALLERGAN SUPPORTS AN OVERALL ADDED VALUE IN FRANCE OF NEARLY €326 MILLION

The impact of a business on GDP corresponds to the amount of its own added value plus the added value generated in other companies in the country.

Allergan Industrie and Allergan France directly generated an added value of €261 million in 2016. Considering the induced demand by their purchases and the consumption by their employees, we estimate the added value supported in the rest of the economy at €57 million. **The ongoing operations of the two French subsidiaries are therefore linked to a direct, indirect and induced added value of €319 million.**

FRENCH ADDED VALUE SUPPORTED BY ALLERGAN'S ONGOING OPERATIONS

Millions of euros

		Year 2016
Allergan Industrie	Direct	216.5
	Indirect + Induced	25.6
	Total	242.2
Allergan France	Direct	44.8
	Indirect + Induced	31.7
	Total	76.5
Total	Direct	261.3
	Indirect + Induced	57.3
	Total	318.7

Source: Asterés estimates, based on data from Allergan (financial accounts, declarations) and INSEE (national accounts, input-output tables).

Allergan Industrie's investments created an additional demand for French businesses of €78 million between 2007 and 2016. **This activity has supported an added value of €71 million in the French economy over the period.** The average annual impact is €7.1 million. Thus, **Allergan supports in France an added value of nearly €326 million per year** (€318.7 M + €7.1 M).

FRENCH ADDED VALUE SUPPORTED BY ALLERGAN'S INVESTMENTS

Millions of euros

	2007-2016	Annual average
Allergan Industrie	70.9	7.1

Source: Asterés estimates, based on data from Allergan (financial accounts, declarations) and INSEE (national accounts, input-output tables).



2.3 ALLERGAN GENERATES TURNOVER OF NEARLY €160 MILLION FOR FRENCH COMPANIES

Added value is the most relevant indicator to capture the economic ripple effects of a business. However, many people struggle to interpret it appropriately. Turnover is an easier concept, but presents the challenge of valuing the same value several times. Therefore, the measured impacts appear to be larger with this indicator.

The purchases by Allergan Industrie and Allergan France, excluding imports, totaled €41 million in 2016. With the indirect and induced effects, **the turnover incurred in the French economy reached €99 million.**

In 2016, Allergan's French employees received a gross income of €30 million. After considering their social contributions, income tax, foreign expenditures and savings, we estimate their national consumption at €16.5 million. Considering the indirect and induced effects, **the additional demand generated for the national economy was €42 million.**

FRENCH TURNOVER SUPPORTED BY ALLERGAN'S ONGOING OPERATIONS

Millions of euros, excl. tax

Year 2016		Impact from purchases	Impact from employees consumption
Allergan Industrie	Direct	21.8	6.4
	Indirect + Induced	30.1	10.0
	Total	51.9	16.5
Allergan France	Direct	19.4	10.1
	Indirect + Induced	28.1	15.4
	Total	47.5	25.5
Total	Direct	41.2	16.5
	Indirect + Induced	58.1	25.4
	Total	99.4	41.9

Source: Asterés estimates, based on data from Allergan (financial accounts, declarations) and INSEE (national accounts, input-output tables).

Over the period 2007-2016, Allergan's investments generated a direct demand of €78 million for French businesses. This expenditure resulted in an additional demand of €113 million in the rest of the economy. Thus, the overall impact of Allergan's investments on the French economy, in terms of turnover, amounted to €191 million over ten years, an annual average of €19.1 million.

FRENCH TURNOVER SUPPORTED BY ALLERGAN'S INVESTMENTS

Millions of euros, excl. tax

		2007–2016	Annual average
Allergan Industrie	Direct	77.6	7.7
	Indirect + Induced	113.0	11.3
	Total	190.6	19.0

Source: Asterés estimates, based on data from Allergan (financial accounts, declarations) and INSEE (national accounts, input-output tables).

Overall, **we estimate that Allergan generates an annual turnover of €160 million for French companies** (€99.4M + €41.9M + €19.1M).

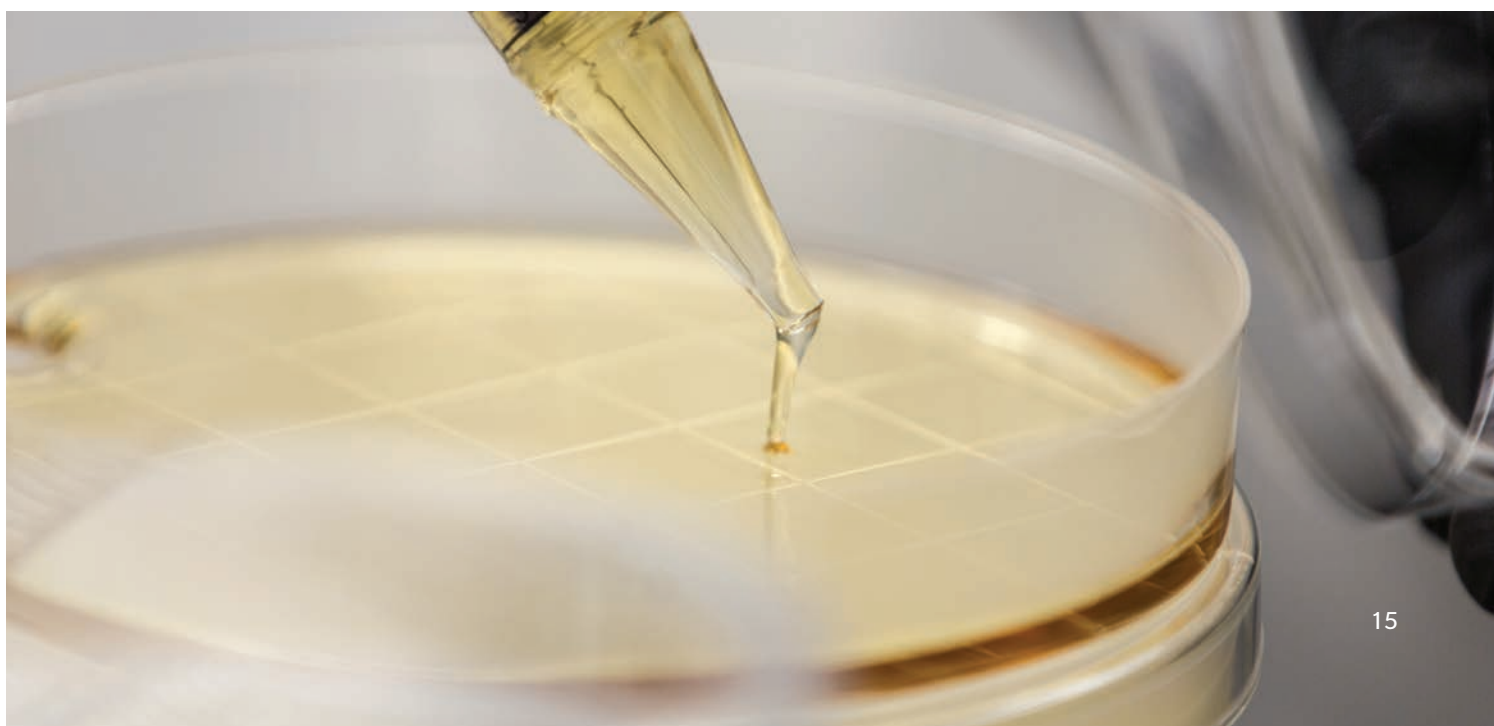
2.4 ALLERGAN SUPPORTS 1,200 JOBS IN FRANCE

Allergan employed 511 people in France in June 2017. Its overall impact on employment is even greater, taking into account the spillover effect. Indirect and induced full-time-equivalent (FTE) jobs related to Allergan's ongoing operations are estimated at 650. Between 2007 and 2016, Allergan Industrie's investments supported an average of 89 FTE jobs per year. Thus, **we estimate that Allergan supports approximately 1,200 jobs in the French economy.**

ESTIMATED TOTAL EMPLOYMENT IMPACT

		Year 2016
Allergan Industrie	Direct	292
	Indirect + Induced (FTE)	366
	- Purchases	206
	- Employees' consumption	71
	- Investment, annual average	89
	Total	658
Allergan France	Direct	171
	Indirect + Induced (FTE)	373
	- Purchases	264
	- Employees' consumption	109
	Total	544
Total	Direct	463
	Indirect + Induced (FTE)	739
	- Purchases	470
	- Employees' consumption	180
	- Investment, annual average	89
	Total	1,202

Source: Asterés estimates, based on data from Allergan (financial accounts, declarations) and INSEE (national accounts, input-output tables).



2.5 THE ECONOMIC IMPACT OF ALLERGAN INDUSTRIE IS PRIMARILY LOCAL

The economic impact of Allergan Industrie is primarily local.^{24 25} **More than half of its French suppliers of raw materials and almost all its French suppliers of technical installations and tools are from its region.** Between 2007 and 2016, its investments generated a turnover of €49 million for local construction companies. That represents an average of €4.9 million per year. In addition to the use of local suppliers and service providers, **factory employee consumption**, estimated for the year 2016 at €6.4 million, directly benefited local retail businesses and household services companies.

2.5.1 Impact on local added value

Considering only what has been spent locally by Allergan and its employees, and considering the leakage of a part of the indirect and induced demand to other areas in France, **we estimate that Allergan Industrie supported, locally, through its purchases and wages paid, an added value of €236 million in 2016.**

LOCAL FRENCH ADDED VALUE SUPPORTED BY ALLERGAN INDUSTRIE'S ONGOING OPERATIONS

Millions of euros

		Year 2016
Allergan Industrie	Direct	216.5
	Indirect and Induced	19.8
	Total	236.3

Source: Asterés estimates, based on data from Allergan (financial accounts, declarations) and INSEE (national accounts, input-output tables).

We estimate that the investments made by Allergan Industrie have supported an added value of €66 million locally, representing an average annual contribution to the regional GDP of €6.6 million.

LOCAL FRENCH ADDED VALUE SUPPORTED BY ALLERGAN'S INVESTMENTS

Millions of euros

	2007–2016	Annual average
Allergan Industrie	65.9	6.6

Source: Asterés estimates, based on data from Allergan (financial accounts, declarations) and INSEE (national accounts, input-output tables).

Considering purchases, investments and employee consumption, added value locally reached €243 million (€236.3M + €6.6M). **This is equivalent to 0.11% of regional GDP.**

Eighty percent of the added value induced by Allergan Industrie in the rest of the French economy (excluding its own added value) is realized locally.

²⁴ Economic data available at the regional level do not allow precise delimitation of the effect according to an administrative perimeter. Indeed, Insee does not produce a table of input-output at the regional level. The local effect that we present can be apprehended, in order of magnitude, as a regional effect.

²⁵ Allergan France's local effects were not estimated because this company operates all over France.

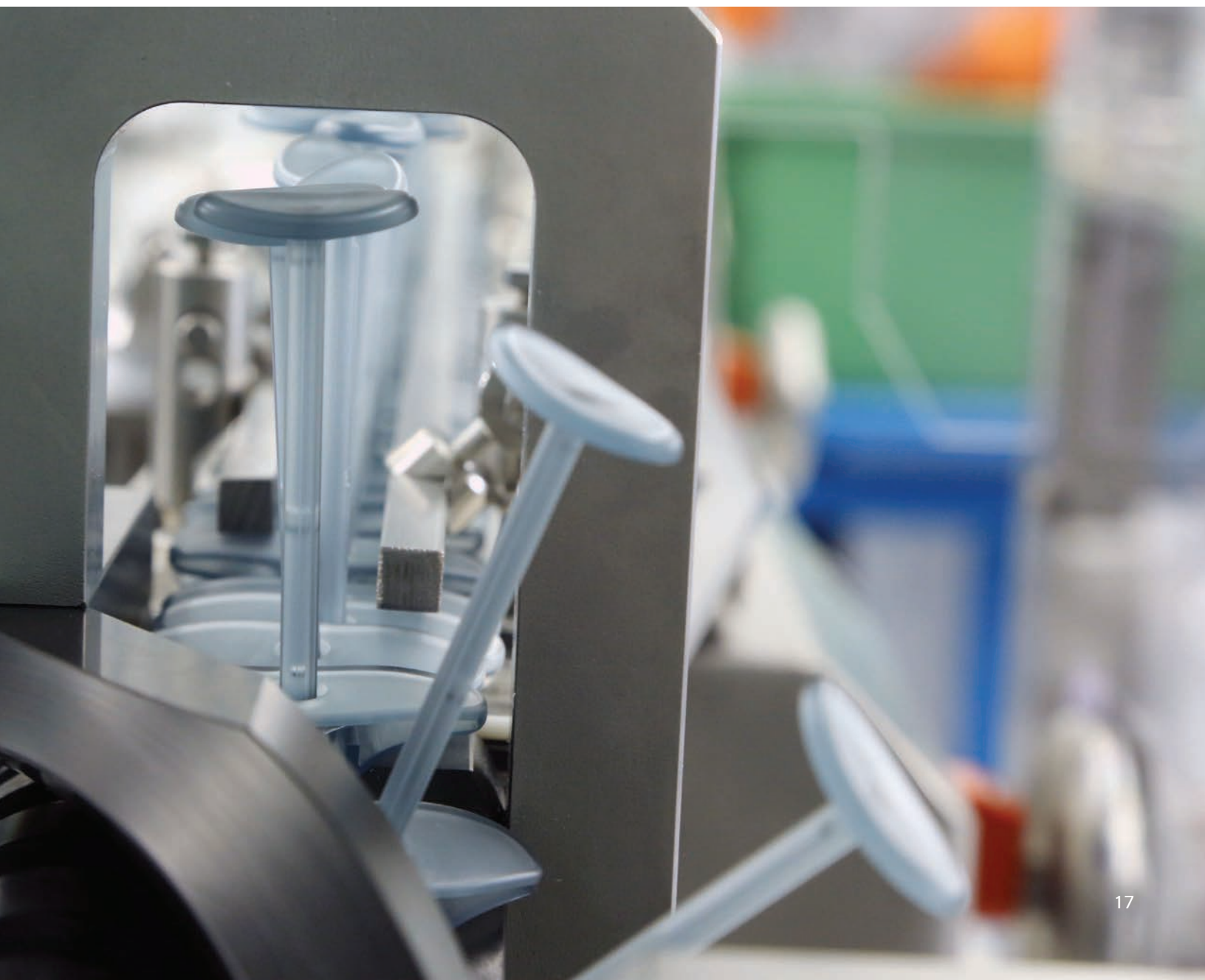
2.5.2 Impact on local employment

In 2016, Allergan had 292 employees in Pringy. We estimate the jobs induced in local companies at 193. Thus, **the facility supported locally around 480 jobs.**

JOBS SUPPORTED LOCALLY

		Year 2016
Allergan Industrie	Direct	292
	Indirect + Induced (FTE)	193
	- Purchases + Employees' consumption	132
	- Investment, annual average 2007-2016	61
	Total	485

Source: Asterés estimates, based on data from Allergan (financial accounts, declarations) and INSEE (national accounts, input-output tables).





A S T E R è S
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